

The following are the Minutes of the Rhode Island Industrial-Recreational Building Authority Board of Directors, Meeting #422 held on February 23, 2005. These Minutes were accepted by the Board of Directors on April 6, 2005.

Alicia A. Pomfret

Assistant Manager & Assistant Secretary

MINUTES OF

**THE RHODE ISLAND INDUSTRIAL-RECREATIONAL BUILDING
AUTHORITY**

Meeting #422 – February 23, 2005

PRESENT: Frank R. Benell -- Chairperson

Frances H. Gammell-Roach -- Vice Chairperson

Peter R. Dunn -- Member

Robert H. Luneberg -- Member

ABSENT: Donald Harris -- Member

ALSO PRESENT: Earl F. Queenan, Jr. -- Manager

Alicia A. Pomfret -- Assistant Manager

Anthony J. Scolavino -- Sr. Financial Program Administrator

Philomena Teixeira -- Financial Program Manager

Thomas V. Moses, Esquire -- Legal Counsel

Natalie Jackvony, Esquire -- Legal Counsel

The meeting was held at One West Exchange Street, Providence, and was called to order by Chairman Benell at 8:39 a.m.

Mr. Benell presented the Minutes of the Meeting of December 1, 2004. Following review and discussion, a motion was made by Mrs. Gammell-Roach, was seconded by Mr. Dunn, and was unanimously approved to accept the Minutes as presented. A roll call vote followed:

Mr. Dunn – aye

Mrs. Gammell-Roach – aye

Mr. Luneberg – aye

Mr. Benell – aye

Mr. Benell presented the Watch List as of February 9, 2005. Mr. Queenan asked

Mr. Scolavino to update the Board on AKL FLEXOTECH-USA, LP. Mr.

Scolavino and Mr. Moses gave a verbal update on the status of the guarantors. Mr. Moses discussed the cost to litigate in Germany. Mr. Queenan reported that STEMCELLS remains unchanged. Mr. Moses suggested removing POINT JUDITH FISHERMEN'S CO. from the Watch List. Mr. Moses then noted that he was informed by Mr. Jones of UTRA FINE POWDER TECHNOLOGY that Mr. Jones has been notified by one of the investors that the investor wants a \$150,000 demand note held by him to be paid by the Company. After brief discussion, a motion was made by Mr. Dunn, was seconded by Mr. Luneberg, and was unanimously approved to remove POINT JUDITH FISHERMEN'S CO. from the

Watch List, and to accept the Watch List as submitted. A vote by roll call was then held:

Mr. Dunn – aye

Mrs. Gammell-Roach – aye

Mr. Luneberg – aye

Mr. Benell – aye

Mr. Queenan presented the Portfolio Report as of February 9, 2005. He gave a review of the report. Mrs. Teixeira discussed THE HOTEL PROVIDENCE's grand opening. She noted that the guest rooms are finished, L'Epicureo Ristorante is operating, the ball room and function rooms are finished, and the hotel is fully operational and open for business. Mr. Moses added that he would be making two

requests in connection with THE HOTEL PROVIDENCE during Executive Session. After this, a motion to accept the Portfolio Report as presented was made by Mr. Dunn, was seconded by Mrs. Gammell-Roach, and was unanimously adopted. A roll call vote was then taken:

Mr. Dunn – aye

Mrs. Gammell-Roach – aye

Mr. Luneberg – aye

Mr. Benell – aye

Mr. Queenan presented the Authority's internally prepared financial statements for the seven-months ended January 31, 2005. He gave a review of the statements and following brief discussion, a motion to accept the financial statements was made by Mr. Luneberg, was seconded by Mr. Dunn and was unanimously approved. A vote by roll call was then held:

Mr. Dunn – aye

Mrs. Gammell-Roach – aye

Mr. Luneberg – aye

Mr. Benell – aye

Mr. Queenan asked if staff had anything to discuss under other business. Mrs. Teixeira stated that she would like to discuss FAE-BC ENTERPRISE LC, D/B/A NARRAGANSET IMAGING. She explained

that she received a telephone call from Frank Epps late yesterday wherein Mr. Epps informed her that he will be laying off the majority of his employees for sixty-days. His inventory is built up and he and Mr. Ulmschneider have been putting their own money into the business. He will maintain the employees' healthcare and will call them back to work in sixty days.

Mr. Moses expressed that staff needs to sit with Mr. Epps and discuss the Company's financial forecast. Mr. Queenan noted that staff will meet with Mr. Epps.

At 9:19 a.m., Mr. Benell declared that he would entertain a motion to adjourn to Executive Session and that an affirmative vote of a majority of the members is required. In accordance with §42-46-4 of the Rhode Island General Laws, a portion of the meeting will be held in Executive Session to consider and take appropriate action on such matters as permitted by subsection (5) (acquisition or lease of real property for public purposes or

disposition of publicly held property), subsection (6) (location of prospective businesses in Rhode Island), or subsection (7) (investment of public funds) of Rhode Island General Laws, Section 42-46-5(a), the Open Meetings Law. Mr. Dunn motioned to enter into Executive Session, Mr. Luneberg seconded, and a vote was taken.

Mr. Dunn – aye

Mrs. Gammell-Roach – aye

Mr. Luneberg – aye

Mr. Benell – aye

At 9:38 a.m. Mr. Benell requested a motion to return to Open Session, and noted that an affirmative vote of a majority of the members is required in accordance with §42-46-4 of the Rhode Island General Laws. Mrs. Gammell-Roach motioned to return to Public Session, Mr. Dunn seconded, and a vote was taken.

Mr. Dunn – aye

Mrs. Gammell-Roach – aye

Mr. Luneberg – aye

Mr. Benell – aye

In accordance with §42-46-4 of the Open Meetings Law of the General Laws of the State of Rhode Island, the Board revisited the votes taken during Executive Session. A motion was made by Mrs. Gamell-Roach, was seconded by Mr. Dunn, and was unanimously adopted to ratify the following votes made during the Executive Session:

On behalf of PAWTUCKET ARMORY ASSOCIATION to issue a Resolution of Approval, a copy of which is attached to the Executive Session Minutes of the Meeting of February 23, 2005, and made a part thereof

On behalf of EAGLE QUEST GOLF & LEISURE DOME, INC. to:

1) approve the waiver by Bank of America for the Minimum Debt Service Coverage Ratio Requirement for the Fiscal Year Ended December 31, 2004; and

2) to approve the waiver of the Authority's financial ratio covenant requirements for the Fiscal Year Ended December 31, 2004.

On behalf of SULZER METAPLAS (US), INC. to enter into a two-year lease at a lease amount of \$75,000 per year, for the period of September 1, 2005 through August 31, 2007

On behalf of THE HOTEL PROVIDENCE to:

1) extend the commitment expiration to March 31, 2005; and

2) to authorize the Authority Manager to accept the Management Contract if it is acceptable to staff and legal counsel.

There being no other business to discuss, Mr. Benell requested a motion to adjourn.

Mr. Dunn made a motion to adjourn, Mrs. Gammell-Roach seconded, and it was unanimously approved to end the meeting.

The meeting adjourned at 9:39 a.m.

Respectfully submitted,

Alicia A. Pomfret

Assistant Manager & Assistant Secretary